



October 2002

# Missouri News

## Missouri Farm Service Agency

Parkade Center, Suite 225  
601 Business Loop 70 W  
Columbia, MO 65203

### Hours

Monday - Friday  
8:00 a.m. - 4:30 p.m.

### State Committee

Don Fischer, Chairman  
Fred Ferrell  
Julie Hurst  
Craig Westfall  
Barbara Wilson

### Staff

Patty Dick, Administration  
Dan Gieseke, Farm Loans  
Bo Wendleton,  
Compliance  
Gerald Hrdina,  
Conservation  
Don Engelbrecht, Price  
Support  
Max Sell, Production  
Flexibility

## Producer Letter

Keep an eye on your mailbox for an upcoming "producer letter" outlining the steps you must take to enroll in the 2002 Direct and Counter-Cyclical Program. Enclosed with the letter will be a Base Options Report and a Yield Report for your farm. When your letter arrives, study the information closely to determine the best base and yield elections for your farm.

## Base and Yield Calculator

A computer-based tool, the Base and Yield Update Option Analyzer, is available to help producers with Internet access analyze the economic consequences of selecting different base and yield options. It was developed to help farmers make informed decisions from five base options and four yield options offered by the 2002 Farm Bill.

To use the tool, you enter specific data about your farming operations, such as planted acres and yields for each type of crop grown. You can then enter projected crop prices. The tool will calculate a combination of seven base and yield options and six years of projected payments for each crop covered under the 2002 Farm Bill. The BYA tool is available online at:  
[www.fsa.usda.gov/pas/farmbill/tools.asp](http://www.fsa.usda.gov/pas/farmbill/tools.asp).

If you don't have access to the Web or have questions about DCP and your options, contact the county office.

## Direct and Counter-Cyclical Payment Rates

USDA announced projected counter-cyclical

program payment rates for 2002-crop wheat, feed grains, upland cotton, rice, oilseeds and peanuts. Producers are eligible for counter-cyclical payments only if effective prices are less than the target prices set in the 2002 Farm Bill.

The first partial counter-cyclical payment rate for upland cotton is \$0.0481 per pound; for rice, \$0.0058 per pound; and for peanuts, \$0.0182 per pound. Producers with wheat, corn, grain sorghum, barley, oats, soybean and other oilseeds base acreage won't receive a first partial counter-cyclical payment because the projected 2002 effective prices exceed the respective target prices.

After counter-cyclical payment rates are re-estimated in January, a second counter-cyclical payment may be issued. Final payments will be determined at the end of the respective marketing year for each crop. Producers who receive total partial payments exceeding the actual counter-cyclical payment for each respective crop must repay any excess amounts.

You can request 2002 direct payments anytime during the sign-up period, Oct. 1 through June 2, 2003. For each commodity, the direct payment equals the direct payment rate times 85 percent of the farm's base acreage times the farm's direct payment yield.

Direct payments are similar to production flexibility contract payments but include oilseeds and peanuts as eligible commodities. Most producers have already received their 2002 PFC payments; after producers enroll in the new direct and counter-cyclical payment program any PFC payments already received will be deducted from the 2002 crop year direct payments.

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## ***Livestock Compensation Program***

Sign up is underway for the Livestock Compensation Program in all Missouri counties. You're eligible if you raise beef or dairy cattle, buffalo, beefalos, sheep or goats.

Payments will be based on standard feed consumption data for each eligible type of livestock. The payment rate is \$18 per animal consuming unit, which is indexed against beef cattle.

Specific requirements for the eligible types of livestock are:

- Adult cows must have calved at least once by June 1, 2002
- Adult bulls must have been 2 years of age or older by June 1, 2002
- Nonbreeding heifers must have weighed 500 pounds or more on June 1, 2002.
- Replacement heifers must have weighed 500 pounds or more on June 1, 2002, and not have borne any offspring before June 1, 2002
- Steers must have weighed 500 pounds or more on June 1, 2002
- Bulls that weighed more than 500 pounds and were under 2 years of age on June 1, 2002

Producers will certify the number of eligible animals owned as of June 1, 2002. The animals must have been owned for 90 days or more before and/or after June 1. Payment will be determined by multiplying the number of eligible animals by the respective payment rate. Payments should be available shortly after a producer signs up.

## ***Apple Market Loss Assistance Payment Program III***

Sign up is underway for the third round of Apple Market Loss Assistance Payment Program, or AMLAP III.

Any individual or entity who produced and marketed apples in 2000 and whose production and facilities are located in the United States is eligible to sign up for the program. Eligible production is limited to a

maximum of five million pounds per operation.

The spending authority is capped at \$94 million, so payments can't be made until the sign up period has ended and we've been able to figure a payment rate.

You can get application forms (CCC-891-3) in person at the county office or by mail, telephone or fax. Forms can be downloaded at [www.sc.egov.usda.gov](http://www.sc.egov.usda.gov).

Applications must be completed correctly, signed, and returned to the county office by the close of business on Nov. 8. Late applications, including those being faxed or mailed, cannot be accepted.

## ***Changes in Milk Income Loss Contract Program***

Milk producers will want to take note of two changes recently announced in the Milk Income Loss Contract Program. First, producers wanting to change the month in which their payments begin must do so by the 15<sup>th</sup> of the preceding month. For example, if you want your payments to start in December, you must make the change no later than Nov. 15.

The reason? Program requirements say the MILC payment rates is based on the price of class I milk in Boston, and that a producer must decide on a payment start month before the Boston price for that month is announced. Since the Boston price is announced on the Friday on or before the 23<sup>rd</sup> of each month, the cut off date was changed to the 15<sup>th</sup>.

Second, producers are no longer required to select the month they want to begin receiving benefits at the time they file an application. You can now note on the application that you don't want to designate a start month at sign up time. You must initial and date the statement.

If you choose this option, you must return to the office later to select the month payments should start. The selection has to be done by the 15th of the month prior to the desired start

month.

### ***Oilseed Base Calculation Modified***

We found the previous calculation used to determine oilseed bases when they were added to an existing 2002 Production Flexibility Contract resulted in unintended disparities in the amount of oilseed bases that could be credited to farms. This was particularly true for farms that planted oilseeds in a 100 percent year to year corn/soybean rotation when compared to farms that plant in a 50/50 corn/soybean rotation on the same farm.

Beginning Oct. 1, producers could begin sign-up for Direct and Counter-Cyclical Program crops with the option to select one of five base options. These options include retaining the 2002 PFC contract acres as the base, updating all bases on the farm using 1998-2001 plantings, and three options that allow a producer to add oilseeds to existing PFC acres. The change could provide producers additional oilseed bases under the latter three options, resulting in a more accurate reflection of current cropping practices.

We are modifying our computer software to reflect these changes. You will be allowed to use the old formula so you can receive program benefits immediately. We will accept updated base decisions using the new formula until April 1, 2003, with any additional payments to follow soon thereafter.

### ***CRP Payments***

The county office began issuing Conservation Reserve Program rental payments for fiscal year 2002 earlier this month. Back before the direct deposit requirement was implemented we would have said the check is in the mail.

Missouri farmers have enrolled 1,552,298 acres in the program and will receive \$101,548,660. There are 30,631 CRP contracts on 19,209 farms in the state. The average participating farm in Missouri will receive \$5286 or \$65.41 per acre.

If those CRP payments sound interesting to you, stop by the county office and ask us for

information about the CRP continuous sign up program.

### ***Late Filed Reports***

If you didn't timely file an acreage report between 1998-2001, you may do so now without paying a late-filed fee. In these cases, you may submit records to document the existence and/or disposition of the crop. Such records include seed receipts or other sales evidence, crop insurance records for prevented plantings, appraisals, or other records that substantiate that the crop was planted or prevented from being planted.

<b>Selected Interest Rates for October 2002</b>	
90-Day Treasury Bill	1.625 %
Farm Operating - Direct	3.750 %
Farm Ownership - Direct	6.125 %
Limited Resource	5.000 %
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	4.000 %
Emergency	3.750 %
Farm Storage Facility	3.625 %
Commodity Loans 1996-Present	2.750 %

### ***Conservation Compliance***

In order to receive program payments such as those for Direct and Counter-Cyclical Program and Milk Income Loss Contract Program, you must first certify to highly erodible land compliance and wetland compliance on form AD-1026.

We won't hold up payments if NRCS cannot make determinations timely and there is no reason to think you're out of compliance. However, compliance with HEL and WC provisions remains a program requirement and you'll need to timely certify compliance once NRCS notifies you of its determinations. Failure to do so will require a refund of payments.

Once the determinations are completed, HEL fields must have a conservation plan established by NRCS to reduce erosion. You

may not need a NRCS plan if you are implementing some other type of conservation system on your farm to reduce erosion (a CAFO plan for instance), however, NRCS must review and approve the system you are using.

### ***Acreage Reports Required***

Did you report all of your cropland acres this year? If you didn't file a complete 2002 acreage report on all cropland, you must do so in order to receive 2002 Direct and Counter-Cyclical Program payments. There is no charge for a late-filed 2002 crop report for DCP purposes.

<b>Dates to Remember</b>	
Today	Report changes to farming operation.
Sept. 30	Apple Market Loss Assistance Payment Program III
Oct. 1	Sign up begins for Livestock Compensation Program
Oct. 1	Sign up begins for Direct and Counter-Cyclical Program
Nov. 3	Deadline to sign up for Peanut Quota Buyout Program
No End Date Set	2001 LDPs
Available at Harvest	2002 LDPs and Commodity Loans
On Going	MILC program sign up ends Sept. 30, 2005
On Going	Farm Storage Facility Loan Program
On Going	Conservation Reserve Program Continuous Signup

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call 202-720-5964 (voice or TDD).